



## 94TH GENERAL ASSEMBLY

### State of Illinois

2005 and 2006

HB5242

Introduced 1/24/2006, by Rep. Julie Hamos

#### SYNOPSIS AS INTRODUCED:

20 ILCS 3501/801-50 new  
20 ILCS 3501/801-51 new  
20 ILCS 3501/801-52 new  
20 ILCS 3501/801-53 new

Amends the Illinois Finance Authority Act. Provides that all projects undertaken with the participation of the Illinois Finance Authority must have as a condition of the contract or financing agreement certain provisions relating to charity care, labor relations, and labor requirements. With respect to labor relations, provides that any contract or financing arrangement entered into with the Authority must include contract terms under which the employer agrees to: (1) enter into a labor peace agreement with a labor organization that requests such an agreement for the conduct of a campaign in which it seeks to represent the employer's employees in an appropriate bargaining unit, or (2) if the parties are unable to agree to the terms of a labor peace agreement within 14 days of the commencement of negotiations, enter into final and binding arbitration in which the terms of a labor peace agreement will be imposed by an arbitrator. Sets forth provisions that must be included in a labor peace agreement. Provides that an employer may be exempt from these requirements under certain circumstances. Sets forth certain consequences for violating these required contract terms including termination of the contract under certain circumstances. Sets forth certain labor requirements for projects undertaken with the participation of the Illinois Finance Authority, including: (1) for all new construction, the employers, their contractors, and subcontractors shall pay their workforces fair and decent wages (2) employers, their contractors, and subcontractors shall comply with all applicable labor laws, and (3) employers, their contractors, and subcontractors shall maintain, at all times, safe and healthful working conditions and abide by all applicable wage and hour regulations and prohibitions against child labor and conform to the standards set by the federal OSHA or a similar State agency. Adds other provisions.

LRB094 19219 RSP 54773 b

FISCAL NOTE ACT  
MAY APPLY

1 AN ACT concerning State government.

2 **Be it enacted by the People of the State of Illinois,**  
3 **represented in the General Assembly:**

4 Section 5. The Illinois Finance Authority Act is amended by  
5 adding Sections 801-50, 801-51, 801-52, and 801-53 as follows:

6 (20 ILCS 3501/801-50 new)

7 Sec. 801-50. Required terms. Notwithstanding any other  
8 provision of this Act, on and after the effective date of this  
9 amendatory Act of the 94th General Assembly, all projects  
10 undertaken with the participation of the Illinois Finance  
11 Authority shall have as a condition of the contract or  
12 financing agreement, whether for a grant, loan, loan guarantee,  
13 bond, venture capital, or lease financing, the following:

14 (1) A health facility of any size shall comply with  
15 Section 801-51.

16 (2) A person, unit of government, health facility,  
17 educational facility, cultural facility, or private  
18 institution of higher education with an aggregate value  
19 that exceeds \$250,000 shall comply with Section 801-52.

20 (3) A person, unit of government, health facility,  
21 educational facility, cultural facility, or private  
22 institution of higher education with a project of any size  
23 shall comply with Section 801-53.

24 (20 ILCS 3501/801-51 new)

25 Sec. 801-51. Health facility charity care.

26 (a) Notwithstanding any other provision of this Act to the  
27 contrary, a health facility shall have as a condition of a  
28 contract or financing agreement with the Authority the  
29 following terms:

30 (1) The facility shall have a written policy to provide  
31 charity care to the consuming public and shall demonstrate

1 that it provides such charity care. "Charity care" is  
2 defined as care for which the provider does not expect to  
3 receive payment from the patient or a third party payer and  
4 shall be reported separately from other benefits by  
5 applying a cost-to-charge ratio to charity charges.

6 (2) Except for Critical Access Hospitals or Necessary  
7 Providers, as designated by the Illinois Department of  
8 Public Health, the facility shall have specific plans to  
9 increase spending on charity care to 8% of operating  
10 expenses, measured at cost.

11 (b) The Illinois Attorney General shall monitor and enforce  
12 compliance with this Section.

13 (20 ILCS 3501/801-52 new)

14 Sec. 801-52. Labor relations.

15 (a) In order to promote the free and informed decision of  
16 employees to determine whether to be represented by a labor  
17 organization, and to prevent the potentially adverse economic  
18 and societal effects of labor disputes, any contract or  
19 financing arrangement entered into with the Authority shall  
20 include the following terms under which the employer agrees to:

21 (1) Enter into a labor peace agreement with a labor  
22 organization for the conduct of a campaign to represent the  
23 employer's employees in an appropriate bargaining unit.

24 "Labor peace agreement" means a written statement between  
25 an employer and a labor organization that is seeking to  
26 organize that employer's employees, which provides, at a  
27 minimum, the following:

28 (i) The employer agrees that during the labor  
29 organization's conduct of an organizing campaign,  
30 neither it nor its agents shall express to employees  
31 false or misleading information that is intended to  
32 influence the determination of employee preference  
33 regarding union representation.

34 (ii) The labor organization agrees that neither it  
35 nor its agents shall misrepresent to employees the

1 facts and circumstances surrounding their employment.

2 (iii) The employer agrees to provide the labor  
3 organization with a complete and accurate list of the  
4 names, addresses, and phone numbers of the employees of  
5 the employer working within the appropriate bargaining  
6 unit. In determining what constitutes an appropriate  
7 bargaining unit, the traditional composition of  
8 similar units shall be considered.

9 (iv) The employer agrees to provide the  
10 organization's members and representatives timely and  
11 reasonable access to the workplace for the purpose of  
12 providing employees with information about the  
13 organization, provided that there is no interference  
14 with the conduct of the employer's business.

15 (v) The labor organization agrees to forbearance  
16 from economic action against the employer at the work  
17 site of an organizing drive covered by this Section,  
18 and in relation to an organizing campaign only (not to  
19 terms of a collective bargaining agreement), so long as  
20 the employer complies with the terms of the labor peace  
21 agreement.

22 (vi) The employer and the labor organization agree  
23 to language and procedures prohibiting the employer or  
24 the labor organization from coercing or intimidating  
25 employees, explicitly or implicitly, in selecting or  
26 not selecting a bargaining representative. No  
27 employee, individually or in a group, shall be required  
28 to attend a meeting or event that is intended to  
29 influence his or her decision in selecting or not  
30 selecting a bargaining representative.

31 (2) Submit to final and binding arbitration under the  
32 auspices of the Illinois Department of Labor under the  
33 following circumstances:

34 (i) to determine the terms of the labor peace  
35 agreement if the parties are unable to agree within 14  
36 days of the commencement of negotiations;

1           (ii) to determine the scope or composition of the  
2           bargaining unit; or

3           (iii) to resolve any disputes over interpretation  
4           or application of the labor peace agreement.

5           (b) Notwithstanding the requirements of subsection (a) of  
6           this Section, any employer who has in good faith fully complied  
7           with those requirements shall be excused from further  
8           compliance as to a labor organization that:

9           (1) Has failed to comply with the terms of the labor  
10           peace agreement that prohibits the labor organization and  
11           its members from engaging in any economic action against  
12           that employer at that site in furtherance of a campaign to  
13           organize that employer's employees at that site for  
14           collective bargaining. This paragraph shall not be  
15           interpreted, however, to apply to economic action against  
16           an employer at other locations where that employer does  
17           business, or at any location for purposes other than  
18           organizing the employer's employees.

19           (2) Has been determined through final and binding  
20           arbitration to have violated the provisions of the labor  
21           peace agreement as required by this Section.

22           (c) Any dispute concerning compliance with the labor peace  
23           agreement shall be referred to final and binding arbitration  
24           under the auspices of the Illinois Department of Labor. When a  
25           violation of this Section by a party to a labor peace agreement  
26           has been determined through final and binding arbitration, the  
27           Illinois Department of Labor shall immediately notify the  
28           violating party and the Authority of the violation and direct  
29           the party to take all action necessary to halt the violation.  
30           If, after notice of a violation to the violating party, the  
31           violation is not corrected, or if further violations of this  
32           Section are committed during the term of the contract, the  
33           Authority shall take one of the following actions:

34           (1) Terminate or cancel the contract, in whole or in  
35           part, without liability for the uncompleted portion or any  
36           services purchased or paid for by the contracting party for

1 use in completing the contract. A violation by a prime  
2 contractor shall not be imputed to a subcontractor, nor  
3 shall a violation by a subcontractor be imputed to a  
4 contractor.

5 (2) Allow the contract to remain in effect until its  
6 expiration but notify the violating party of the  
7 Authority's intent to refuse to accept subsequent  
8 proposals or award a future contract to the violating  
9 party.

10 (d) As used in this subsection:

11 (1) "Labor organization" means any employee  
12 organization in which employees participate and that  
13 exists for the purpose, in whole or in part, of engaging in  
14 collective bargaining with employers concerning  
15 grievances, labor disputes, wages, hours, and conditions  
16 of employment.

17 (2) "Labor dispute" means any concerted action  
18 concerning wages, hours, and conditions of employment, or  
19 concerning the representation of persons in negotiating,  
20 maintaining, changing or seeking to arrange wages, hours,  
21 and conditions of employment.

22 (3) "Economic action" means concerted action initiated  
23 or conducted by a labor organization or employees acting in  
24 concert therewith, to bring economic pressure to bear  
25 against an employer, as part of a campaign to organize  
26 employees or prospective employees of that employer,  
27 including such activities as striking, picketing, or  
28 boycotting.

29 (20 ILCS 3501/801-53 new)

30 Sec. 801-53. Labor requirements.

31 (a) For any project involving construction, the employers,  
32 their contractors, and subcontractors shall pay their  
33 workforces fair and decent wages negotiated in a bona fide  
34 collective bargaining agreement, or, in an area where there is  
35 no collective bargaining agreement, those determined to be

1 prevailing in that particular area for similar workers by the  
2 Department of Labor for the purpose of the Service Contract Act  
3 or Davis-Bacon Act.

4 (b) Employers, their contractors, and subcontractors shall  
5 comply with all applicable labor laws.

6 (c) Employers, their contractors, and subcontractors shall  
7 maintain, at all times, safe and healthful working conditions  
8 and abide by all applicable wage and hour regulations and  
9 prohibitions against child labor and conform to the standards  
10 set by the federal OSHA or a similar State agency.

11 (d) The Illinois Department of Labor shall monitor and  
12 enforce compliance with this Section.